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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/714,619	11/17/2000	Harold P. Mintz	PM 275071	5426

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EXAMINER

HAMILTON, LALITA M

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 02/18/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/714,619

Applicant(s)

MINTZ, HAROLD P.

Examiner

Lalita M Hamilton

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on ____.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-25 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-25 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on ____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. §§ 119 and 120

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. ____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
* See the attached detailed Office action for a list of the certified copies not received.
- 13) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.
a) ☐ The translation of the foreign language provisional application has been received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). ____
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) ____ 6) ☐ Other: ____

DETAILED ACTION

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 2 and 16-17 are rejected, because it is unclear what the purpose of numeral "26" is in the claims.

Claim 3 is rejected for its dependency on claim 2.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-2, 7-12, 14-16, 18, 20, and 25 are rejected under 35 U.S.C. 102(e) as being anticipated by Andrus (US 2002/0156709). *Please Note: Date used was Provisional Application date of October 27, 2000.*

Andrus discloses a method for financing companies comprising establishing a business entity (**fig.1b: 100- operating company**); said business entity establishing an investment fund (**fig.1b: 180- group holding company**); establishing a fund managing entity of said investment fund, said fund managing entity attending to administrative matters relating to said investment fund and making investment decisions for the fund

(**fig.1b: 180 and p.5, ¶ 53-54- manages its holdings**); said investment fund having investors (**178**) and (**p.5, ¶ 53-54**) that provide capital contributions to said fund, said fund managing entity also providing capital contributions to said fund, said fund utilizing said contributions to invest in portfolio entities (**group holding company (180) investing into holding company (130) and its holdings**); said investors receiving a general participation interest in said fund (**receive interest through investing**), and said fund managing entity receiving a carried interest in said fund (**receive interest through managing**); providing said investors that have provided at least a threshold capital contribution to said fund with stock rights in said business entity to enable such investors to become shareholders in said business entity (**p.1, ¶ 8-11; p.2, ¶ 23-25; and p.9, ¶ 106**); said business entity securing a portion of IPO shares that become available in said portfolio entities and said business entity enabling shareholders thereof to purchase IPO shares that become available in said portfolio entities (**p.1, ¶ 8-11; p.2, ¶ 23-25; p.5, ¶ 53-54; p.7, ¶ 77; and p.9, ¶ 106- investors will want share of an IPO in return for their investing and it is well known that the IPO is commonly used as an exit strategy for venture capitalists**); said fund managing entity employs at least one other fund managing entity to direct investment decisions, said at least one other fund managing entity also being provided with stock rights in said business entity (**holding company (130); stock rights are received indirectly through holding company (180) and (130), which are held by shareholders**); said business entity invests directly in additional portfolio entities, other than said portfolio entities invested in through said investment fund (**p.8, ¶ 84 and p.10, ¶ 120-121**); an investment

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manager/advisor that provides investment advice to the fund (p.6, ¶ 64); stock rights are options (p.1, ¶ 5 and p.2, ¶ 23- warrants); said business entity establishes a family of investment funds, each of said funds investing in associated portfolio entities, providing investors that have provided at least a threshold capital contribution to at least one of said funds with stock rights in said business entity to enable such investors to become shareholders in said business entity, and said business entity enabling shareholders thereof to purchase IPO shares that become available in any of said portfolio entities of said family of funds (p.2, ¶ 23 and 28 and p.7, ¶ 77); said business entity enables shareholders thereof to purchase IPO shares that become available in portfolio entities invested in directly by said business entity (p.2, ¶ 23 and 28 and p.7, ¶ 77); said stock rights are warrants (p.1, ¶ 5 and p.2, ¶ 23); obtaining an agreement from said portfolio entities that a portion of IPO shares that became available as a result of an IPO therein will be made available to said business entity **(It is inherent that an agreement may be obtained as part of the initial contract for providing financing)**; providing investors that have provided a threshold capital contribution amount to said fund with stock rights to purchase shares in said business entity, said investors thereby having an opportunity to purchase some of said IPO shares at the IPO price if such stock rights are exercised (p.1, ¶ 8-11; p.2, ¶ 23-25; p.5, ¶ 53-54; p.7, ¶ 77; and p.9, ¶ 106- **investors will want share of an IPO in return for their investing and it is well known that the IPO is commonly used as an exit strategy for venture capitalists)**; said investors are provided with stock rights to purchase shares in the business entity as partial consideration for said shareholders agreeing for said business entity to secure

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DSSP or rights offering rights in said portfolio entities through said fund (**p.2, ¶ 23 and p.9, ¶ 106**); receiving capital contribution information relating to an amount of capital contributed by an investor to a fund, the fund having investments in a portfolio entity and comparing the capital contribution information to a threshold value (**It is inherent that there will be a minimum contribution value**); consequent to said comparing, assigning to the investor stock rights in a business entity having stock rights in the portfolio entity (**p.1, ¶ 8-11; p.2, ¶ 23-25; and p.9, ¶ 106**); the business entity has secured access to IPO shares in the portfolio entity, and wherein when stock rights in the business entity are exercised by said investors, those investors have a right to purchase a specified portion of the IPO shares (**p.1, ¶ 8-11; p.2, ¶ 23-25; p.5, ¶ 53-54; p.7, ¶ 77; and p.9, ¶ 106- investors will want share of an IPO in return for their investing and it is well known that the IPO is commonly used as an exit strategy for venture capitalists**); a data storage medium, said data storage medium having machine-readable code stored thereon, the machine-readable code including instructions executable by an array of logic elements (**It is inherent that there will be a data storage medium having a machine-readable code, since information is commonly stored on data storage medium across all industries**); receiving capital contribution information relating to an amount of capital contributed by an investor to a fund, the fund having investments in a portfolio entity and comparing the capital contribution information to a threshold value (**It is inherent that there will be a minimum contribution value**); and consequent to said comparing, assigning to the investor stock rights in a business entity having stock rights in the portfolio entity (**p.1, ¶**

8-11; p.2, ¶ 23-25; and p.9, ¶ 106).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 3-6, 13, 17, 21, and 23-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Andrus in view of Barkley (Rupri Equity Financing Task Force).

Andrus discloses the invention substantially as claimed; however, Andrus does not disclose said portfolio entities also receive stock rights in said business entity; partial consideration for said fund investing in said portfolio entities, said portfolio entities agree that a portion of IPO shares that become available as a result of an IPO therein will be made available to shareholders of said business entity; said shareholders of said business entity will be entitled to a percentage of said portion of IPO shares that is based on a pro-rata percentage of their stock ownership in said business entity, less any shares allocated otherwise; shareholders in said business entity including, said investors in said fund that have exercised stock options that they obtained in said business entity, at least one other fund managing entity that has exercised stock options that it obtained in said business entity, and said portfolio entities that have exercised stock options that they obtained in said business entity; an amount of IPO shares that said at least one other fund managing entity is entitled to obtain is based upon the performance of said fund and/or tenure of said at least one other fund managing entity;

said assigning stock rights includes allocating stock rights to the investor based at least in part on a relation between the capital contribution information and a total capital contribution amount by the investor; allocating stock rights to the investor includes calculating a stock ownership percentage in the business entity, wherein said stock ownership percentage is based at least in part on the relation between the capital contribution information and a total capital contribution amount; or monitoring vesting of said stock rights based on said investors compliance with their commitments to make further investments. Barkely teaches information to entrepreneurs pertaining to venture capital including that deals may be constructed in various manners (p.11- all). It is inherent that as part of an agreement for entering into a business arrangement that portfolio entities may also want to receive stock rights in the business entity. It is inherent that venture capitalist would require to have the opportunity to acquire IPO shares in all stakes to increase their return, since venture capitalists commonly require a high rate of return for loaning money. With regard to the pro-rata percentage of stock ownership, it is inherent that a venture capitalist holding a larger stake would want to be entitled to a larger share to compensate for the amount of capital that has been pledged to increase their overall return. With regard to the performance being a stipulation of the amount of shares to be received by the other fund managing entity, it is inherent that fund performance may be a stipulation that is used to determine the amount of IPO shares to be distributed, since venture capitalists and others involved in the transaction may require this to ensure maximum return on their investments. It would have been obvious to one having ordinary skill in the art at the time the invention was made to

incorporate the steps of said portfolio entities also receive stock rights in said business entity; partial consideration for said fund investing in said portfolio entities, said portfolio entities agree that a portion of IPO shares that become available as a result of an IPO therein will be made available to shareholders of said business entity; said shareholders of said business entity will be entitled to a percentage of said portion of IPO shares that is based on a pro-rata percentage of their stock ownership in said business entity, less any shares allocated otherwise; shareholders in said business entity including, said investors in said fund that have exercised stock options that they obtained in said business entity, at least one other fund managing entity that has exercised stock options that it obtained in said business entity, and said portfolio entities that have exercised stock options that they obtained in said business entity; an amount of IPO shares that said at least one other fund managing entity is entitled to obtain is based upon the performance of said fund and/or tenure of said at least one other fund managing entity; said assigning stock rights includes allocating stock rights to the investor based at least in part on a relation between the capital contribution information and a total capital contribution amount by the investor; allocating stock rights to the investor includes calculating a stock ownership percentage in the business entity, wherein said stock ownership percentage is based at least in part on the relation between the capital contribution information and a total capital contribution amount; and monitoring vesting of said stock rights based on said investors compliance with their commitments to make further investments, as inherently taught by Barkley into the method disclosed by Andrus, to ensure that investors receive a maximum return on their investment.

Claim 19 is rejected under 35 U.S.C. 103(a) as being unpatentable over Andrus in view of Libman (6,076,072).

Andrus discloses the invention substantially as claimed; however, Andrus does not disclose receiving an investor identifier associated with the investor and based at least in part on a correspondence between the investor identifier and the capital contribution information, retrieving the capital contribution information from a computer storage element. Libman teaches a method and apparatus for preparing client communication in a financial transaction comprising an identifier used to identify the client (**col.22, lines 23-25**). It would have been obvious to one having ordinary skill in the art at the time the invention was made to incorporate an investor identifier, as taught by Libman into the method disclosed by Andrus, as a means of identifying venture capitalists to match them with their capital contribution information.

Claim 22 is rejected under 35 U.S.C. 103(a) as being unpatentable over Andrus and Barkley as applied to claim 21 above, and in further view of Libman.

Andrus discloses and Barkley teaches the invention substantially as claimed; however, neither reference discloses nor teaches receiving an investor identifier associated with the investor and based at least in part on a correspondence between the investor identifier and the capital contribution information, retrieving the capital contribution information from a computer storage element. Libman teaches a method and apparatus for preparing client communication in a financial transaction comprising an identifier used to identify the client (**col.22, lines 23-25**). It would have been obvious to one having ordinary skill in the art at the time the invention was made to incorporate an

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investor identifier, as taught by Libman into the method disclosed by Andrus and taught by Barkley, as a means of identifying venture capitalists to match them with their capital contribution information.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

Wolfberg (4,885,685)
VanDusen (US/2003/0208397)
Dannenberg (US/2001/0032157)
Kaufman (Regional Business News)
Virtanene ("Risk Financing and Venture Capital Markets in Finland")

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Lalita M Hamilton whose telephone number is (703) 306-5715. The examiner can normally be reached on Tuesday-Thursday (8:30-4:30).

The fax phone number for the organization where this application or proceeding is assigned is (703) 746-6101.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 305-2272.



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